

A Shared Foundation for VA/DoD Partnerships

The Joint Initiative Between the North
Chicago VAMC and Naval Hospital Great
Lakes

PROUD TO PARTNER



EXCELLENCE IN FEDERAL HEALTH CARE!

31 January 2006

MILITARY MEDICINE
TRANSFORMING
THE FUTURE





Progress is impossible without change,
and those who cannot change their
minds
cannot change anything.

George Bernard Shaw



One must change one's tactics every
ten years if one wishes
to maintain one's superiority.

Napoleon Bonaparte



If you can't beat them,
Join them!

Anonymous

Change

□ Eight Stages

- Establishing a Sense of Urgency
- Creating the Guiding Coalition
- Developing a Vision and Strategy
- Communicating the Change Vision
- Empowering Employees
- Generating Short-Term Wins
- Consolidating Gains & Producing More Change
- Anchoring New Approaches in the Culture



Overview

- ❑ History of VA/DoD Sharing in North Chicago and Great Lakes
- ❑ The Executive Steering Committee and the Guiding Coalition
- ❑ The Three Phases of the Project
- ❑ Benefits of an integrated Federal Healthcare Center of Excellence
- ❑ Work in Progress
- ❑ Short Term Wins
- ❑ Lessons Learned



EXCELLENCE IN FEDERAL HEALTH CARE!

Establishing a Sense of Urgency

- Examining market realities
- Exploring competitive trends
- Identifying and Discussing
 - Current Crisis
 - Potential Crisis
 - Major Opportunities





North Chicago VAMC

- Established 1926
 - 1.4M ft² distributed over 58 buildings
 - Building 133
 - Constructed 1958
 - Major renovation: 1996
- Current catchment area: 50,000 veterans
 - 550+ inpatient beds
 - Medical - 150 beds - ADC of 55 (FY05)
 - Psychiatric - 25 beds - ADC of 16 (FY05)
 - Long term care - 204 beds - ADC of 183 (FY05)
 - Domiciliary - 186 beds - ADC of 141 (FY05)
 - Outpatient visits: FY03=215,840, FY04=211,933, FY05=214,209
 - Our veteran patients reside in northeastern and north central Illinois, and southeastern Wisconsin



	FY03	FY04	FY05
Gender :			
male veterans	91.8%	90.8%	89.9%
female veterans	8.2%	9.2%	10.1%
FY03	FY04	FY05	
Budget - \$113,098,889	\$126,993,329	\$140,168,561	
FTEE - 1,151.9	1,199.8	1,144.0	



North Chicago VAMC

MISSION

- WE ARE A CARING COMMUNITY, PROUD TO PROVIDE PATIENT - CENTERED, COORDINATED HEALTH CARE TO VETERANS, NAVY AND OTHER VA/DOD SHARING PATIENTS

VISION

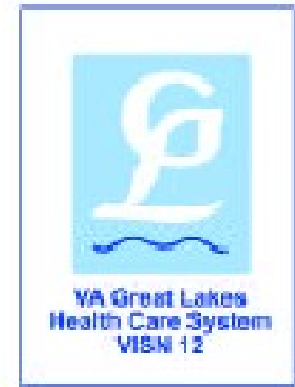
- CREATING THE FUTURE OF FEDERAL HEALTH CARE THROUGH EXCELLENCE IN PATIENT CARE, CUSTOMER SERVICE, EDUCATION AND RESEARCH

VALUES

- TRUST, DIVERSITY, TEAMWORK, PRIDE, CREATIVITY

1990's in North Chicago

- ❑ 1992 Surgical Services moved to Hines
- ❑ Unfilled Bed Capacity since 1996 renovation
- ❑ April 1998 GAO Report
 - Close 1 Chicago VA facility
- ❑ September 1999 VISN12 Study
 - Discontinue all inpatient services
- ❑ June 2001
 - CARES Study



Naval Hospital Great Lakes

- ❑ Established 1911
 - Support Navy Basic Training
- ❑ Hospital dedicated December 1960
 - 1^o casualty receiving hospital for Marines and Sailors injured in Vietnam
 - 850 Inpatient beds/450,000 ft²
- ❑ Current catchment area: 67,000 beneficiaries.
 - 25 Med/Surg/Peds inpatient beds
 - 7 Branch Health Clinics (medical & dental)
 - > 400,000 outpatient visits per year
 - 1,600 employees (active duty and civilian)
 - Annual Budget FY05 \$101M (excludes milpers)



Naval Hospital Great Lakes

MISSION

We are committed to:

- **Operational readiness through training and Force Health Protection**
- **Excellence in recruit and student health**
- **Comprehensive healthcare for all who are entrusted to our care**



VISION

Naval Healthcare Great Lakes creates an environment of excellence to build a mission-ready, healthy, educated force. Through the most progressive federal partnership, we are leaders and stewards who ensure comprehensive wellness, prevention and healthcare services to all entrusted to our care

1990's in Great Lakes

- ❑ BRAC 1995
 - Navy consolidated basic training to 1 boot camp.
- ❑ Declining beneficiary population
 - A schools: predominantly geobachelors
 - Boot Camp: staff work hours
 - School zoning policies
- ❑ JCAHO facilities issues
 - Life Safety concerns: \$8M to fix
 - Outpatient flow
- ❑ BRAC 2005



VA/DoD Sharing

- A history of sharing
 - Physical Therapy/Occupational Rehabilitation
 - ICU care
 - Major joint replacement surgery
 - General Surgery
 - Radiology coverage
 - Navy Hospital Corps School 2-wk didactic training at NCVAMC
- Executive Steering Committee
 - Chaired by Director and Commanding Officer
 - Administrative/Clinical/Mental Health subcommittees
 - Issue resolution at all levels

Coalition of Interests

- ❑ Presidential Priority
- ❑ Joint Executive and Health Executive Councils
- ❑ VISN12
 - 2001 CARES study
- ❑ BUMED/DoD (TMA)
 - 2001 SRA Study
 - 2002 CNA Recommendations
- ❑ Congressional Interest
 - GAO reports
- ❑ Veteran advocates

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Navy partners with North Chicago VA Medical Center



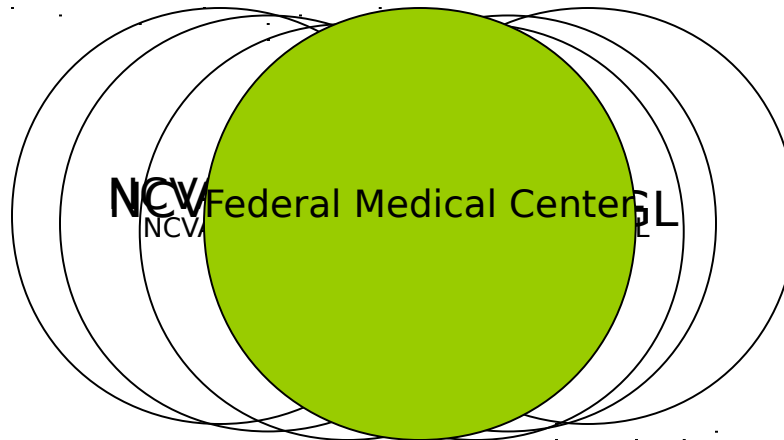
Great Lakes area veterans, Congressman Mark Kirk (R-Ill.), and North Chicago Mayor Leon Rockingham applaud as Deputy Secretary of Veterans Affairs Gordon Mansfield and Assistant Secretary of Defense for Health Affairs Dr. William Winkenwerder, Jr. complete the signing of a historic merger between the VA and Department of Defense. The agreement will create a new federal healthcare facility which will be the first of its kind, under joint management by the VA and DOD. Photo by FC2 Jason Mosher



The Vision

Phase III

ER, Peri-operative, Intensive Care, Critical Care, Inpatient Med/Surg
Prior to 2002, ELM
Demonstration Project FY 2010
July 2008



Phase I

□ October 2003

- Inpatient Mental Health transferred
- Reimbursement methodology:
 - Inpatients utilize TRCARE Network Provider Status
 - Medical hold patients utilize a marginal cost direct reimbursement

□ December 2004

- DoD Blood Donor Center transferred
- Reimbursement methodology:
 - Navy leases VA laboratory space
 - VA purchases blood products
- Avoids \$3M construction cost

Phase II

- January 2005: \$13M NCVAMC Project
 - Construction of 4 new Operating Rooms
 - Expansion of existing Emergency Department
- June 2006
 - Transfer of inpatient med/surg/pediatric ward
 - Professional services provided by Navy Physicians
 - Transfer of operating room
 - Transfer of ICU
 - Transfer of ER service
 - Reimbursement methodology:
 - Facility Charges at TRICARE Network Negotiated rate.

Phase III

□ Federal Health Care Facility

■ FY2007

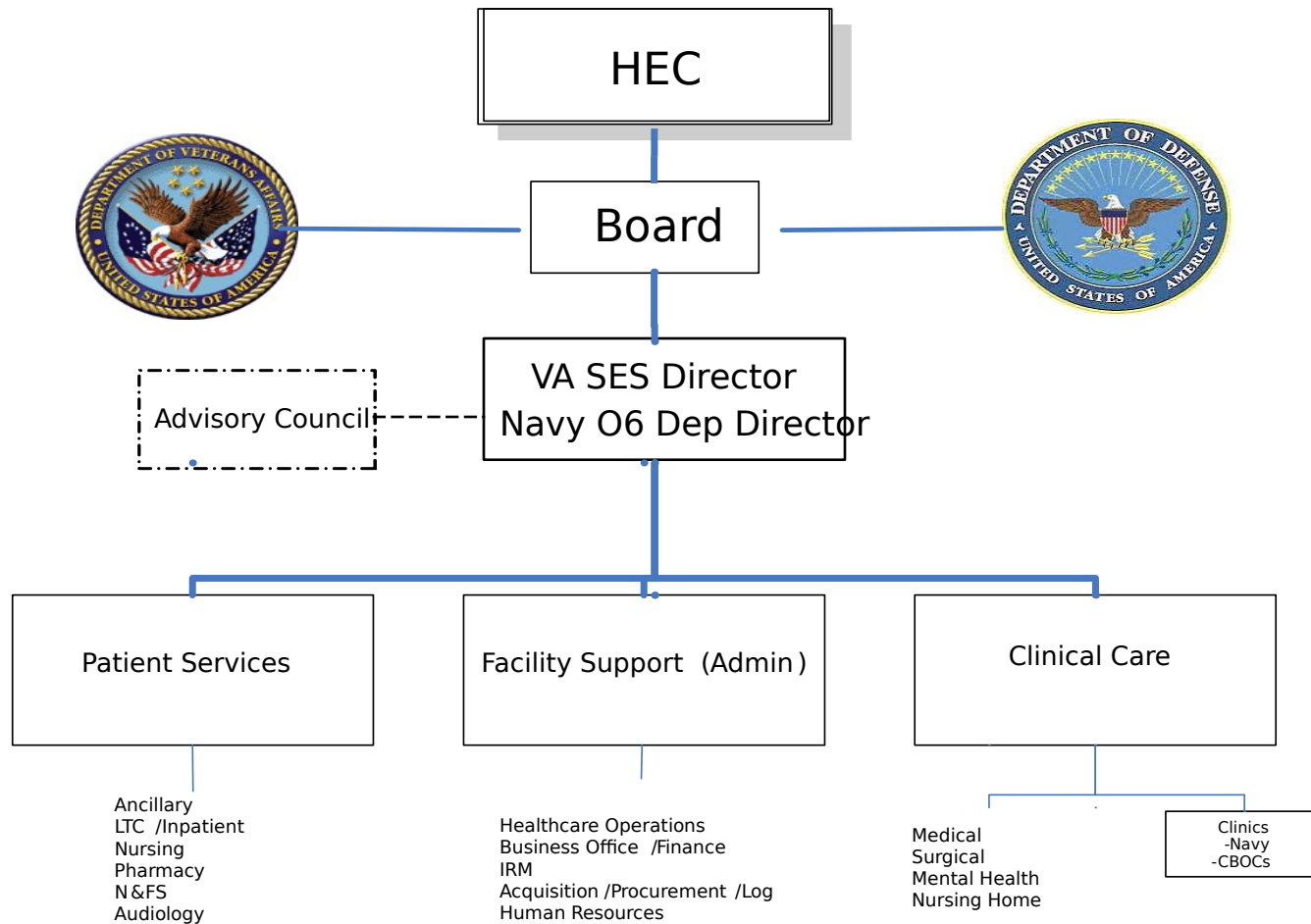
□ \$130M Navy construction project begins:

- \$60M to construct 201,000 ft² ambulatory care center
- \$13M to renovate 45,000 ft² existing NCVAMC spaces
- \$5M construct parking structure
- \$30M Supporting facilities (Elect, water, sewer etc)
- \$22M Other

■ FY2010

- Construction project completed
- Total integration of both healthcare organizations

Integrated Governance



FEDERAL MEDICAL CENTER

- **Proposed Board Membership**
 - Naval Training Command
 - VISN Director
 - Navy Medicine East (NME)
 - Veterans Health Affairs (VHA)
 - Navy Bureau of Medicine & Surgery
 - Federal Medical Director – Ex Officio
- **Roles & Responsibilities**
 - Select/Evaluate Director
 - Establish Mission, Vision, & Policy
 - Establish Strategic Direction
 - Ensure Adequate Resources
 - Monitor Performance



Stakeholders Advisory Council

- Membership
 - Veterans Service Organizations
 - TRICARE Regional Office
 - Community Representatives
 - Rosalind Franklin University Medical School
 - Other VA/Federal System Directors
 - Managed Care Support Contractor
 - Network/VISN Representatives
 - Congressional Liaison/Representat



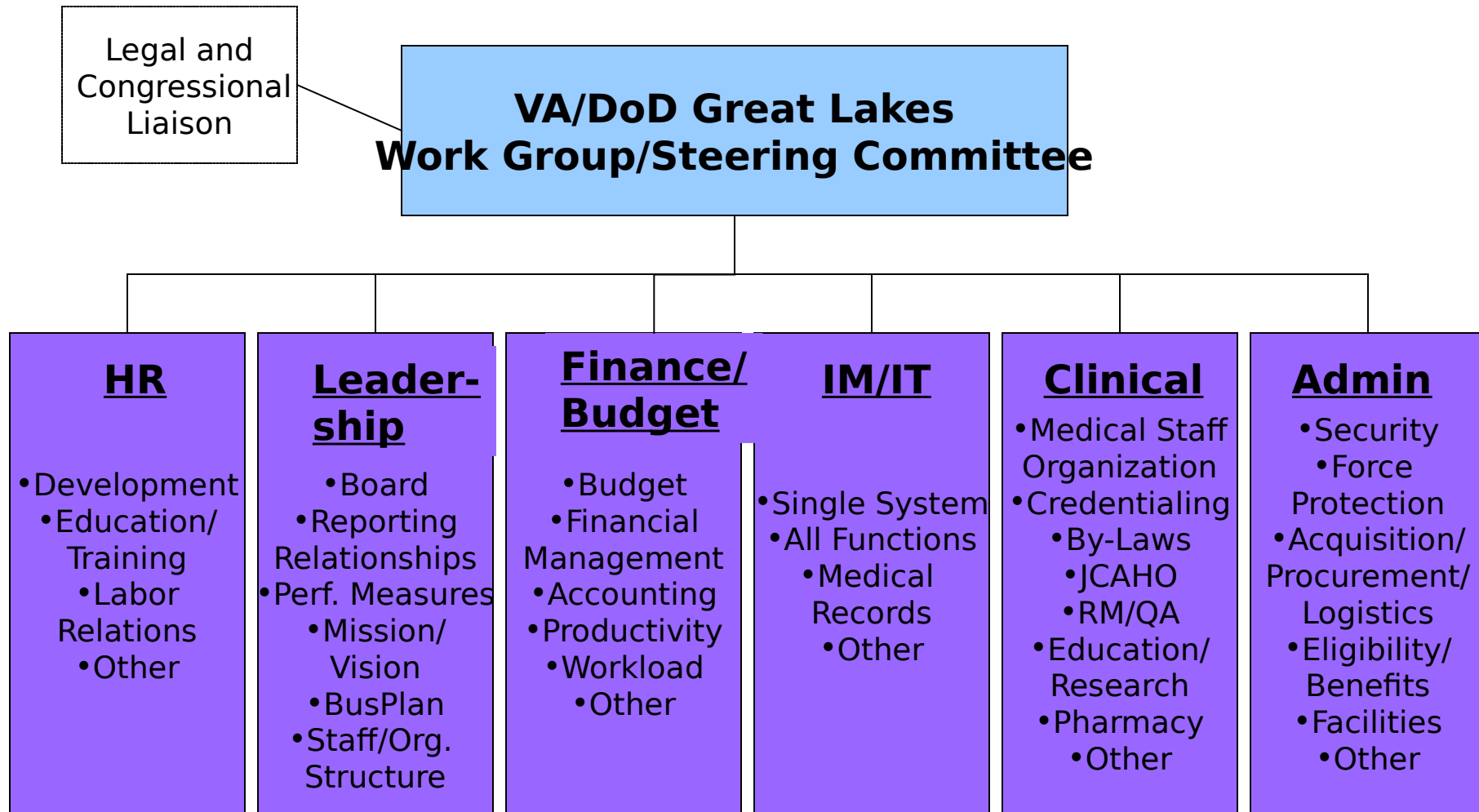
Communicating the Vision

- Presentations to coalition interests
 - HEC/JEC (bidirectional information sharing)
 - Congressional visits
 - GAO visits
- Local Senior leadership communication
- Joint Strategic Planning
 - Planning Assumptions
- Marketing Task Group





Work-Group Empowerment





Short Term Wins (benefits)

- ❑ Construction benefit
 - \$4M avoided in OR construction in VA spaces
 - Utilization of unused space (excess capacity)
- ❑ Facilities benefit
 - Reduced utility expense per ft²
 - Contracted service cost reduced due to increased leverage
- ❑ Personnel benefit
 - Reduced payroll expenses
 - ❑ Efficient use of excess capacity
 - ❑ Reduced staffing model
 - No RIF anticipated
- ❑ \$4M annual operating cost avoidance



Short Term Wins (benefits)

□ Scope of Services

■ JIF Projects

- Mammography
- Women's Health
- MRI
- Oncology
- Dedicated fiber optic connectivity

- Increased healthcare market share
- Improved quality of care
- Reduce high risk, low volume scenarios

□ Supply Acquisition

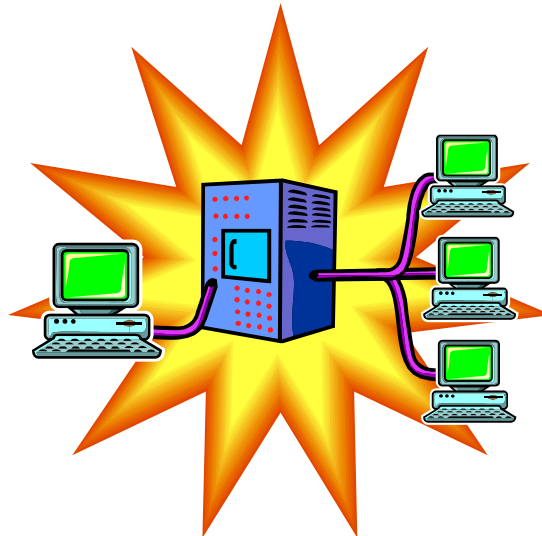
- Leveraging volume discounts
- Standardizing acquisition processes





Short Term Wins (benefits)

- Information Management/Information Technology
 - Bidirectional information exchange
 - Single electronic medical record



Consolidating Gains and Producing More Change (lessons learned)

- ❑ Personal relationship between senior leaders
- ❑ Mental Health Agreement
 - Billing
 - TRICARE Reimbursement
- ❑ Separate Chains of Command
- ❑ Administrative resources
- ❑ PAO/Marketing needs: cultural differences.
- ❑ GAO oversight
- ❑ JIFs
- ❑ National Task Groups
- ❑ Joint Venture successes



Anchoring New Approaches

- Planning Assumptions
 - Exportability
- Incremental implementation
 - Timeline established early
 - Aggressive but achievable goals
- Local steering committee
 - Establish and test new processes
- Joint & Health Executive Council oversight
 - Maintain the vision among senior leadership



An aerial photograph showing the Naval Hospital Great Lakes and the VA Medical Center North Chicago. The Naval Hospital is located on the right side of the image, near a body of water. The VA Medical Center is located in the center-left. A blue arrow points to a new ambulatory care center, and a yellow polygon highlights a new surface parking area. A green rectangle highlights a new parking structure. The Great Lakes are visible in the background.

**Naval Hospital
Great Lakes**

**VA Medical Center
North Chicago**

**New Ambulatory
Care Center**

New Parking Structure

New Surface Parking



Questions?

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